

Message Text

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SUBJECT: MARCONA - GOP LEADERS COMMENT ON MARCONA ORE SALES

REF: LIMA 1390

1. ON FEBRUARY 27, DURING THE FINAL PHASE OF THEIR SUTHERN TOUR, PRESIDENT MORALES BERMUDEZ AND HIS CABINET ASSEMBLED AT BIERROPERU'S PORT FACILITY OF SAN NICOLAS TO WITNESS THE LOADING OF 216,000 TONS OF ORE ABOARD TWO SHIPS BOUND FOR JAPAN. AT THE LOADING CEREMONY, MORALES BERMUDEZ REMARKED THAT THE "GREY CLOUD SURROUNDING THE SALE OF OUR ORE HAS DISSAPPEARED BECAUSE AT LAST OUR POSTION--WHICH IS A NATIONALIST POSITION--TO DEFEND OUR RESOURCES HAS BEEN UNDESTOOD."

2. IN PARALLEL COMMENTS, COMMIN ARIAS GRAZIANI SAID THAT WITHIN A THREE-DAY PERIOD PERU WOULD HAVE LOADED A TOTAL OF 400,000 TONS OF ORE FOR EXPORT. HE ALSO UNDERScoreD THAT THE GOP HAS RECENTLY CONCLUDED CONTRACTS TO SELL ARGENTINA 750,000 TONS OF ORE IN THREE YEARS AND VENEZUELA ONE MILLION TONS IN TWO YEARS (SEE REFTTEL),

3. INA LATER "UNSCHEDULED" PRESS CONFERENCE COVERING
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A NUMBER OF UNRELATED ISSUES, BOTH GOP LEADERS AMPLIFIED

THEIR REMARKS. MORALES BERMUDEZ, STRESSING THAT HIS GOVERNMENT HAD "OVERCOME ALL THE OBSTACLES," SAID PERU WAS NOW SELLING IRON ORE "ON MUCH BETTER ECONOMIC TERMS" THAN BEFORE THE NATIONALIZATION.

4. WITH RESPECT TO THE JAPANESE, ARIAS GRAZIANI SAID THE GOP INITIALLY HAD DIFFICULTY REACHING A SALES AGREEMENT WITH NIPPON STEEL BECAUSE THE LATTER WANTED TO PURCHASE ONLY AT PRE-NATIONALIZATION PRICES. BUT FINALLY, HE SAID, NIPPON REPRESENTATIVES TRAVELLED TO LIMA AND MET THE GOP'S TERMS. HE ALSO SAID NIPPON WOULD AGREE SHORTLY TO PURCHASE FROM PERU ONE MILLION TONS OF SLURRY ANNUALLY UNTIL 1981 AND UNSPECIFIED QUANTITIES OF PELLETS AND ORE UNTIL 1978. HE ADDED THAT TWO OTHER JAPANESE CONCERNS WOULD COME TO LIMA SOON TO ENGAGE IN OTHER ORE-PURCHASE NEGOTIATIONS.

4. IN RESPONSE TO A QUESTION, MORALES BERMUDEZ SAID THE GOP HAS NOT SUFFERED ANY "DEPENDENCY" IN TRANSPORTING IRON ORE FOLLOWING THE EXPROPRIATION. HE SAID IRON "IN ANY FORM" MUST BE TRANSPORTED BY SHIP, AND UNTIL ADEQUATE PERUVIAN CARRIERS ARE DEVELOPED OTHERS MUST BE USED. BUT THIS, HE SAID, IS NOT IMPORTANT. WHAT IS IMPORTANT IS THAT PERU WILL SELL ITS IRON AT HIGHER PRICES THAN BEFORE.
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